Toronto, Ontario
Oct. 5, 1985

To The Honourable Jack Riddell, Minister
Ministry of Agriculture and Food
Province of Ontario.

Sir:

I have the honour to submit herewith the annual report of The Crop Insurance Commission of Ontario for the period April 1, 1984 to March 31, 1985 including the financial statements for The Ontario Crop Insurance Fund and the report of the Provincial Auditor.

Respectfully Submitted,

M. Huff, Chairman
The Crop Insurance Commission of Ontario

Nineteenth Annual Report

of

The Crop Insurance Commission of Ontario

For Fiscal Year Ended March 31, 1985

COMMISSION MEMBERS

MORRIS HUFF — Chairman

HECTOR DELANGHE — Member

JOHN EPPEL — Member

ROBERT HAWLEY — Member

RALPH BEAMER — Member

MURRAY McRAE — Member

GERALD WISMER — Member

OFFICERS

MORRIS HUFF
General Manager

WM. K. REGAN
Assistant General Manager

M.J. TAGGART
Assistant General Manager / Accounting

PETER WILEY
Secretary

THE CROP INSURANCE COMMISSION OF ONTARIO

RESPONSIBILITIES

— Administration of the Canada-Ontario Crop Insurance Program.

— Administration of crop insurance plans, established by regulations, including the functions of selling, underwriting, claims adjustment, and accounting.

— Conducting surveys and research programs relating to crop insurance, to obtain statistics for Commission purposes.

THE YEAR IN REVIEW

Two new crop plans, asparagus and canola were added in 1984-85. The number of contracts, acres insured and premium income all reached record levels. The number of contracts exceeded 32,000 for the first time in the Commission's history. This occurred even though the flue-cured tobacco crop declined 24% from the previous year.

With the exception of contracts for peppers, apples, peaches, plums, seed onions, red beets and cauliflower, claims were less than premium income. Financially, the year was one of the most favourable on the Commission's record. The deficit was reduced by $24.6 million to $15.9 million.

FEDERAL-PROVINCIAL FINANCING

To provide Ontario producers with the best crop insurance program at the lowest cost, the Governments of Canada and Ontario provide the following financial support.

The Government of Canada provides financial assistance to the Canada-Ontario Crop Insurance Program by contributing 50% of the total premium required each year. The Federal Government's contribution to this program totalled $21,088,969 for 1984-85.

The Government of Ontario pays the administration costs which totalled $3,811,812 for 1984-85.

THE CROP INSURANCE COMMISSION OF ONTARIO

(Incorporated without share capital under the Crop Insurance Act (Ontario))

BALANCE SHEET
as at March 31, 1985

ASSETS

	1985	1984
	$	$
Cash	520,269	432,497
Accounts and premium subsidy receivable	311,789	466,721
	832,058	899,218

LIABILITIES AND DEFICIT

Provision for payment of unsettled indemnities (note 1b)	613,308	1,394,255
Premiums collected in advance (note 1c)	424,834	503,106
Unearned premiums (note 1d)	2,921,238	2,981,213
Advances from the Treasurer of Ontario (note 3)	12,782,496	36,696,416
Advances from the Ministry of Agriculture and Food	5,000	5,000
	16,746,876	41,579,990
Deficit	15,914,818	40,680,772
	832,058	899,218

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

AUDITOR'S REPORT

I have examined the balance sheet of The Crop Insurance Commission of Ontario as at March 31, 1985 and the statements of revenue and expenditure and deficit for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1985 and the results of its operations for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

In accordance with section 12 of the Crop Insurance Act (Ontario), a report on the audit has been made to the Commission and to the Minister.

D.F. Archer, F.C.A.,
Provincial Auditor.

Toronto, Ontario,
August 2, 1985.

THE CROP INSURANCE COMMISSION OF ONTARIO

STATEMENT OF REVENUE AND EXPENDITURE
for the year ended March 31, 1985

	1985	1984
	$	$
REVENUE		
Crop Insurance Premiums:		
Premiums from insured persons	21,088,969	20,736,242
Premium subsidies from the Government of Canada	21,088,969	20,736,242
	42,177,938	41,472,484
Administrative expenses paid by the Province of Ontario (note 2)	3,811,812	3,503,680
Interest income	121,264	131,059
	46,111,014	45,107,223
EXPENDITURE		
Indemnities (6,528 claims; 1984 - 10,620 claims)	15,253,742	30,410,262
Administrative expenses (Schedule)	3,811,812	3,503,680
Interest on advances from the Treasurer of Ontario (note 3)	2,422,957	4,160,627
	21,488,511	38,074,569
Excess of revenue over expenditure	24,622,503	7,032,654

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

STATEMENT OF DEFICIT
for the year ended March 31, 1985

	1985	1984
	$	$
Balance, beginning of year	40,680,772	47,720,431
Adjustment to prior year's indemnity provision (note 1b)	(143,451)	(7,005)
	40,537,321	47,713,426
Excess of revenue over expenditure	24,622,503	7,032,654
Balance, end of year	15,914,818	40,680,772

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

SCHEDULE OF ADMINISTRATIVE EXPENSES
for the year ended March 31, 1985

	1985	1984
	$	$
Salaries	1,191,243	1,080,237
Commissions and fees - agents	1,076,275	979,252
Fees and expenses - adjusters	824,840	780,308
Data processing	331,553	320,330
Printing and stationery	76,886	71,682
Telephone and postage	64,883	71,679
Automobile expenses (note 1e)	27,294	38,748
Advertising and publicity	42,932	36,475
Travelling expenses	49,416	35,844
Meetings and staff training	22,997	30,709
Members' allowances and expenses	16,001	19,095
Professional services	23,811	11,824
Fees and expenses - arbitration board	35,527	11,561
Miscellaneous supplies and services	22,611	8,245
Equipment and furniture purchases (note 1e)	5,543	7,691
	3,811,812	3,503,680

See accompanying notes to financial statements.

THE CROP INSURANCE COMMISSION OF ONTARIO

NOTES TO FINANCIAL STATEMENTS
March 31, 1985

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Commission's financial statements are prepared using the accrual basis of accounting except for administrative expenses which are recorded on the cash basis, modified to allow an additional thirty days to pay for goods and services pertaining to the fiscal year just ended.

(b) Provisions for payment of unsettled indemnities

At the end of a fiscal year, the Commission estimates outstanding indemnities. In the subsequent year, any difference between the estimated and the actual indemnities is reflected in the statement of deficit and not in the statement of revenue and expenditure as the Commission feels the difference should not be reflected in the current year's operating results.

(c) Premiums collected in advance

Premiums collected in advance represent premiums received for the insurance of various crops where the deadline for applying for insurance coverage occurs after March 31, 1985. This insurance may be cancelled by the insured prior to the deadline date and premiums refunded.

(d) Unearned premiums

Unearned premiums represent premiums received for the winter wheat and fruit crops. The deadline for applying for insurance coverage occurs prior to March 31, 1985 and accordingly, the premiums cannot be refunded. As well, harvesting of these crops and payment of indemnities occurs subsequent to March 31, 1985.

(e) Fixed assets

The costs of automobile, equipment and furniture purchases are expensed in the year of acquisition.

2. ADMINISTRATION

(a) Administrative expenses

Administrative expenses are paid out of funds appropriated by the Legislature of the Province of Ontario. The Commission has absorbed certain administrative expenses of the Farm Income Stabilization Commission of Ontario.

(b) Accommodation

Office space is provided by the Ministry of Agriculture and Food without charge.

3. ADVANCES FROM THE TREASURER OF ONTARIO

The Commission borrows funds from the Treasurer of Ontario to finance the deficit. The advance bears interest at a fixed rate of 11.20 per cent and matures January 31, 1986. There is no set schedule of repayment.

CANADA-ONTARIO CROP INSURANCE PROGRAM SUMMARY OF SALES & CLAIMS EXPERIENCE BY CROP

(as at March 31, 1985)

Crop	Contracts At Risk	Acreage Insured	Amount of Insurance $	Total Premium $	No. of Claims	Claim Amount	Loss or Gain $	Loss Contracts %	Loss Premiums %
Apple Tree	15	0	1,147,197	23,752	2	16,786	6,966	13	71
Apples	323	9,389	11,192,025	1,544,805	161	2,045,479	-500,674	50	132
Asparagus	2	9	3,465	600	0	0	600	0	0
Black Tobacco	103	664	691,074	85,216	17	27,045	58,171	17	32
Broccoli	7	125	92,153	19,396	4	5,559	13,837	57	29
Burley Tobacco	236	468	814,279	67,834	19	14,324	53,509	8	21
Cabbage	22	177	78,435	10,374	7	7,818	2,555	32	75
Canola	138	7,884	807,439	126,809	24	36,796	90,013	17	29
Carrots	34	912	1,370,592	109,716	11	34,490	75,226	32	31
Cauliflower	31	265	201,818	39,837	13	52,620	-12,784	42	132
Celery	4	15	23,100	6,010	0	0	6,010	0	0
Coloured Beans	169	8,352	1,418,787	209,791	65	178,195	31,596	38	85
Corn	6,884	637,614	112,120,482	7,646,185	1,220	3,092,073	4,554.112	18	40
Cucumbers	98	1,030	698,428	81,500	41	53,129	28,371	42	65
Early Potatoes	18	601	365,878	44,706	1	360	44,346	6	1
Flue-Cured Tobacco	2,179	92,571	146,053,025	14,523,508	440	812,097	13,711,411	20	6
Forage	1,155	162,550	11,679,146	664,914	0	0	664,914	0	0
Grapes	240	10,114	10,892,352	738,487	38	596,678	141,809	16	81
Green Peas	401	16,505	5,382,738	729,062	114	373,158	355,905	28	51
Green & Wax Beans	67	3,007	1,118,084	222,555	14	44,298	178,257	21	20
Late Potatoes	35	1,265	992,145	115,682	11	89,790	25,892	31	78
Lettuce	3	42	33,420	6,506	1	5,880	626	33	90
Lima Beans	25	714	273,553	54,294	2	10,624	43,670	8	20
New Forage Seeding	2,310	61,278	2,450,472	344,128	196	152,328	191,800	8	44
Parsnips	3	10	7,770	1,883	0	0	1,883	0	0
Peaches	82	1,346	1,657,468	265,226	45	369,269	-104,043	55	139
Peanuts	9	343	111,218	19,067	0	0	19,067	0	0
Pears	110	869	718,746	118,826	38	116,728	2,098	35	98
Peppers	87	949	605,574	112,856	47	114,445	-1,589	54	101
Plums	37	242	154,455	30,552	25	46,608	-16,055	68	153
Popping Corn	5	193	41,582	5,790	4	3,308	2,482	80	57
Pumpkins & Squash	15	200	57,410	8,144	3	2,993	5,151	20	37
Red Beets	3	211	97,110	6,328	1	7,650	-1,322	33	121
Rutabagas	7	390	227,000	32,718	6	29,907	2,811	86	91
Seed Corn	542	35,693	17,739,956	1,066,355	113	652,970	413,415	21	61
Seed Onions	53	1,374	2,241,490	173,280	32	378,286	-205,006	60	218
Set Onions	11	169	163,997	16,919	1	2,910	14,009	9	17
Sour Cherries	84	1,025	850,366	177,253	7	44,580	132,673	8	25
Soybeans	5,366	448,082	63,971,515	4,562,431	999	1,663,928	2,898,503	19	36
Spanish Onions	16	164	227,936	41,084	4	13,046	28,038	25	32
Spring Grain	4,143	181,801	11,066,772	1,658,224	751	522,424	1,135,800	18	32
Strawberries	36	377	320,936	67,193	11	16,980	50,213	31	25
Sweet Cherries	52	263	148,037	43,447	7	15,184	28,263	13	35
Sweet Corn	436	23,844	7,026,612	583,600	81	296,198	287,402	19	51
Sweet Corn (Fresh)	28	472	182,256	31,896	8	30,244	1,651	29	95
Tomatoes	815	29,660	32,353,685	2,391,509	572	1,707,808	683,702	70	71
Tomatoes (Fresh)	51	384	442,801	80,181	23	55,736	24,446	45	70
White Beans	1,257	52,912	9,082,545	1,312,313	399	558,230	754,083	32	43
Winter Wheat	4,450	170,272	23,748,888	1,955,196	950	954,783	1,000,413	21	49
PROVINCE TOTAL	32,197	1,966,796	483,146,212	42,177,938	6,528	15,253,742	26,924,226	20	36
1985-86 PRODUCTION RESULTS									
Winter Wheat	4,221	178,526	25,615,858	1,866,552					

GROWTH OF THE CANADA-ONTARIO CROP INSURANCE PROGRAM
(as at March 31, 1985)

	Contracts at Risk							Total Subsidized Premium $	Total Claims Paid $	Gain or Loss $	Loss Ratio %
	78/79	79/80	80/81	81/82	82/83	83/84	84/85				
Apple Tree						24	15	45,549	16,786	28,763	36.9
Apples	352	348	341	338	327	327	323	9,025,688	9,968,022	(942,334)	110.4
Asparagus							2	600	—	600	—
Black Tobacco	53	45	52	40	26	45	103	245,298	183,427	61,871	74.8
Broccoli						6	7	27,284	15,917	11,367	58.3
Burley Tobacco	165	161	169	166	223	267	236	617,004	646,316	(29,312)	104.8
Cabbage				14	18	22	22	33,154	15,848	17,306	47.8
Canola							138	126,809	36,796	90,013	29.0
Carrots				23	29	27	34	305,112	242,392	62,720	79.4
Cauliflower				12	25	34	31	111,124	156,835	(45,711)	141.1
Celery					4	7	4	17,014	869	16,145	5.1
Coloured Beans	194	168	294	395	198	102	169	2,269,185	2,333,058	(63,873)	102.8
Corn	6,216	6,519	6,290	6,409	6,181	6,288	6,884	56,644,751	40,184,440	16,460,311	70.9
Cucumbers				69	91	98	98	215,536	138,584	76,952	64.3
Early Potatoes				5	12	14	18	117,159	26,301	90,858	22.4
Flue-Cured Tobacco	2,181	2,158	2,842	2,762	2,444	2,486	2,179	82,515,526	127,990,203	(45,474,677)	155.1
Forage	1,979	1,889	1,609	1,525	1,317	1,361	1,155	6,148,111	6,619,755	(471,644)	107.7
Grapes	177	182	193	194	218	235	240	3,831,188	2,742,583	1,088,605	71.6
Green Peas	471	483	447	428	451	406	401	4,312,454	5,643,018	(1,330,564)	130.9
Green & Wax Beans	78	83	89	86	84	82	67	953,601	1,206,966	(253,365)	126.6
Late Potatoes	54	53	—	29	29	37	35	1,051,743	965,552	86,191	91.8
Lettuce					4	4	3	20,671	22,767	(2,096)	110.1
Lima Beans	51	49	30	31	33	26	25	426,855	436,887	(10,032)	102.4
New Forage Seeding	2,590	2,704	2,260	2,059	2,074	2,369	2,310	1,836,835	1,463,288	373,547	79.7
Parsnips					10	6	3	28,680	43,092	(14,412)	150.3
Peaches	140	125	54	46	63	78	82	1,629,354	2,317,813	(688,459)	142.3
Peanuts						15	9	49,227	—	49,227	—
Pears	115	111	105	104	103	106	110	649,688	650,962	(1,274)	100.2
Peppers	31	37	34	61	68	98	87	414,845	385,459	29,386	92.9
Plums	40	42	43	42	39	41	37	163,016	194,890	(31,874)	119.6
Popping Corn				44	8	4	5	88,293	265,038	(176,745)	300.2
Pumpkin & Squash				7	7	13	15	17,435	4,842	12,593	27.8

Red Beets	18	15	10	7	5	4	3	84,642	27,873	56,769	32.9
Rutabagas				19	13	10	7	200,208	217,357	(17,149)	108.6
Seed Corn	320	352	327	427	431	349	542	5,542,687	3,788,886	1,753,801	68.4
Seed Onions	24	24	24	48	51	47	53	641,962	782,650	(140,688)	121.9
Set Onions	17	17	13	16	14	11	11	108,459	127,343	(18,884)	117.4
Sour Cherries	81	83	83	85	83	82	84	997,933	1,239,837	(241,904)	124.2
Soybeans	2,105	2,584	2,517	2,830	3,821	4,294	5,366	19,408,130	14,947,618	4,460,512	77.0
Spanish Onions				9	9	8	16	102,543	207,519	(104,976)	202.4
Spring Grain	4,940	4,880	4,526	4,263	4,607	4,377	4,143	15,155,646	14,306,975	848.671	94.4
Strawberries				4	12	24	36	118,890	126,255	(7,365)	106.2
Sweet Cherries	60	64	57	56	58	52	52	394,214	541,206	(146,992)	137.3
Sweet Corn	438	452	452	446	428	447	436	4,255,623	4,043,908	211,715	95.0
Sweet Corn (Fresh)				11	16	38	28	74,408	87,198	(12,790)	117.2
Tomatoes	1,099	1,021	986	956	951	863	815	14,760,164	15,380,237	(620,073)	104.2
Tomatoes (Fresh)				9	28	59	51	199,885	243,790	(43,905)	122.0
White Beans	1,776	1,186	1,293	1,561	1,618	1,100	1,257	12,336,062	16,873,260	(4,537,198)	136.8
Winter Wheat	2,394	2,824	2,922	2,963	3,073	4,301	4,450	11,597,524	7,756,761	3,840,763	66.9
Inactive Plans								516,095	1,221,319	(705,224)	236.7
TOTALS	28,159	28,659	28,062	28,599	29,304	30,694	32,197	260,433,864	286,838,698	(26,404,834)	110.1

CONTRACTS AT RISK:
72-73: 8,246; 73-74: 13,208; 74-75: 18,555; 75-76 22,740; 76-77: 23,535; 77-78 26,712